



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 3, 2001

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 8869

Mr. Vincent Smith
Lone Star Industries, Inc.
10401 North Meridian Street Suite 400
Indianapolis, Indiana 46290

Re: Quarry Inactivity, Utah Portland Quarries, Antone Quarry (M/045/021) and Little Mountain Limestone Quarry (M/045/005), Tooele County, Utah

Dear Mr. Smith:

The Division has recently reviewed the status of the Antone (M/045/021) and Little Mountain Limestone (M/045/005) Quarries. The annual reports submitted to the Division states that the quarries have been inactive since 1988.

Rule R647-4-117.4 of the Utah Mined Land Reclamation Act states:

- Large Mining operations that have been approved for an extended suspension period will be re-evaluated on a regular basis. Additional interim reclamation or stabilization measures may be required in order for a large mining operation to remain in a continued state of suspension. *Reclamation of a large mining operation may be required after 5 (five) years of continued suspension. The Division will require complete reclamation of the mine site when the suspension period exceeds 10 years, unless the operator appeals to the Board prior to the expiration of the 10 year period and shows good cause for a longer suspension period.*

Because these sites have been inactive for a period beyond that which requires reclamation (ten years), the Division hereby requests a written response from Lone Star Industries explaining why the Division should not require immediate reclamation of these two sites. If an extended period of suspension is desired, then your request must be presented before the Board of Oil, Gas and Mining.

If Lone Star Industries chooses to extend the suspension period, the reclamation bonds presently being held by the Division are overdue for a standard five-year reevaluation and escalation. Reclamation bonds held by the Division are normally reviewed and escalated every five years. This escalation process

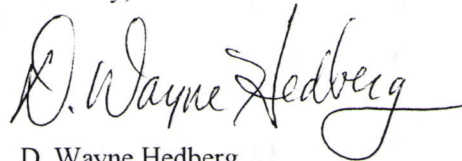
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involves updating the reclamation costs for activities noted on the bond and escalation of the bond for inflation.

Presently a reclamation surety bond for \$34,400 is being held for the Antone Quarry and \$56,200 for the Little Mountain Quarry. A standard adjustment and five-year escalation to the bond amounts (year 2006 dollars) will become \$48,300 and \$78,800 respectively. This escalation will be necessary only if Lone Star Industries chooses to retain active permits, rather than reclaim the current mine disturbances.

Please notify the Division within 30 days of the date of this letter informing us of your intentions for these permitted mine sites. If you have any questions, please call me at (801) 538-5286, or Doug Jensen at (801) 538-5382. Thank you for your cooperation in this regard.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

Jb
cc: Mary Ann Wright, OGM
Utah Portland-surety review.doc